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OS REGISTRY

FILE

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MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM:

Special Assistant to the DCI For Compartmentation

SUBJECT: Media Comment on APEX

1. This memorandum discusses several press items related to APEX and contains a recommendation that you and the CIA Office of Public Affairs continue the policy of not commenting to the public or the media about APEX.

3. The Times' story is respectable, although it goes further than I consider proper on the part of U.S. officials. It leaves little to add.

4. I recommend strongly that you reinforce the "no comment" policy we have followed heretofore. Providing more information to the media will not cut off the political opposition to the President, and may well place us in the position of answering questions of the "When are you going to stop beating your wife?" variety.

5. If you approve, I would like to announce to the APEX Steering Group at tomorrow afternoon's meeting that we will continue a "no comment" policy with respect to all aspects of APEX.

Attachments
Newspaper clippings

OS 0 2294

SUBJECT: Media Comment on APEX

Distribution:

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NEW YORK TIMES - 7 SEP 1976
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Administration Tightening System Of Keeping National Secrets Secret

By RICHARD BURT
Special to The New York Times

WASHINGTON, Sept. 6 — The Carter Administration is instituting a new security designation, higher than "top secret," in an effort to stop the disclosure of national secrets, Government aides said today.

The officials said that under a wholesale revision of the Administration's classification system initiated by President Carter early this year, the new designation, known as "Royal," would be applied to information stemming from the most sensitive intelligence sources and methods, restricting distribution of that information to a small number of senior officials and members of Congress.

The step could represent a significant departure in the Government's handling of intelligence information, particularly with regard to its sharing of that data with Congress. It is also said to reflect growing official concern over foreign espionage and disclosures to the press.

An 'Outrageous Fabrication'

While confirming the existence of a new security system, a White House spokesman characterized as an "outrageous fabrication" published suggestions that it had been designed to protect information that could politically embarrass the White House.

Intelligence officials said that the new classification was to go into effect soon and that no intelligence information had yet been designated "Royal."

One intelligence aide said the new system was the product "of a couple of years of thought about how to handle the growing number of security breaches of sensitive information," including a case in

1978 when an employee of the Central Intelligence Agency gave Soviet agents details of an American surveillance satellite. The employee, Peter Kampiles, was caught and later found guilty of passing secrets to Moscow.

Adm. Stansfield Turner, the Director of Central Intelligence, and Zbigniew Brzezinski, Mr. Carter's national security adviser, are said to have initiated the new security system. Aides said that both officials believed that the Government was becoming so overwhelmed with intelligence information that intelligence aides could not distinguish between normal and really sensitive information.

As a result, some vital data, such as that concerning the country's capabilities for monitoring Soviet missile tests, were routinely circulated to large numbers of people, which is said to have fostered espionage and press disclosures. Officials said that under the new system, the most sensitive data would be held more closely. "For example, if we had a spy in the Soviet Politburo, all of his reports would be classified 'Royal,'" an intelligence aide said.

Officials said that at the suggestion of Mr. Turner and Mr. Brzezinski, President Carter asked the intelligence community last January to produce a new system for designating and handling intelligence.

The Government already classifies some information above "top secret." Because of the complexity of the current system and its secrecy, it is difficult to know exactly how many people now have access to the most sensitive information.

But the new system would replace current designations and limit the most sensitive information to a narrow circle of officials and members of Congress. Less sensitive intelligence information would be more widely circulated within the Government and on Capitol Hill.

According to officials, only about two dozen senior aides in the Executive Branch and fewer than 10 members of Congress would be privy to information designated "Royal." Congressional aides said the recipients would include the majority and minority leaders of the House and the Senate and the ranking Republican and Democrat on the two congressional intelligence committees.

Noting that under the new system Republican leaders would have access to "Royal" intelligence, a White House aide said "this should prove that it is not political."

Some Republican congressional aides expressed deep suspicion that the new designation could be used for political purposes, and an article published today in The Daily Oklahoman in Oklahoma City, Okla., implied that the revisions were politically motivated. The newspaper also reported that the "Royal" designation had been applied to at least one cable in which Libyan officials described Billy Carter, the President's brother, as an "agent of influence."

The White House spokesman said that the White House had not seen all of the intelligence data pertaining to the Billy Carter case, but that none of the documents seen by the President or his aides has been designated "Royal." In fact, commenting on the "Royal" designation, the spokesman said that "the system of which that designation is to be part has not yet been implemented."

Concern in Congress

The question of how widely sensitive information should be circulated in Washington has long been at issue. In recent years, the Administration, under congressional pressure, has agreed to give Congress wide access to intelligence information.

Some members of Congress, informed of the new "Royal" designation, expressed concern that the Administration's new system would restrict the flow of information to Capitol Hill.

"Nothing I have seen suggests that it will be used for political purposes," Senator John Glenn, Democrat of Ohio, said in a telephone interview. "But I am concerned about our ability to get access to information we need."

Representative Les Aspin, Democrat of Wisconsin, a member of the House Intelligence Committee, expressed concern that the new designation could be used "to prevent Congress from asking questions about intelligence collection activities." He noted that the intelligence committees, under law, had to be informed about covert operations, but that the Administration could withhold information on Central Intelligence Agency activities to collect information.

At the White House, a spokesman expressed annoyance over the disclosure of the new designation, saying that it represented the "systematic pumping out of distorted information that is depicted as relying on intelligence."

OFFICE OF CURRENT OPERATIONS NEWS SERVICE

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DISTRIBUTION II CHRISTIAN SCIENCE MONITOR, 8 September 1980, page 28.

Protecting US secrets — and the First Amendment

Word that the Carter administration has come up with a super-secret intelligence classification and dubbed it "Royal" makes us wonder what the likes of Sam Adams and Tom Jefferson would have thought. Behind this regal-sounding new category of hush-hushability seems to be the idea that bureaucrats handling classified information have become so comfortable with the once-ominous "Top Secret" that they handle documents so stamped almost like ordinary memos.

Despite amusement at the singularly nonegalitarian ring of the new security term and concern over the persistent tendency toward more government secrecy, we neither wish to ridicule legitimate national security policy nor ignore other, more serious developments in the intelligence field: the halting steps toward writing a new charter for United States intelligence agencies and a related attempt, which could impinge on First Amendment rights, to protect covert operations.

Congress continues to struggle to produce the "intelligence charter" almost universally demanded in the wake of Central Intelligence Agency and Federal Bureau of Investigation excesses of the 1960s and early '70s. So far only stopgap measures have been enacted: the 1974 Hughes-Ryan amendments to the 1947 National Security Act and a soon-to-be-enacted Intelligence Oversight Act of 1980. The new law has been passed by the Senate and will soon reach the House floor. Proponents of the act term it only a "foundation" for a broader and much-needed intelligence charter. But they point out that it does clearly

set forth the role of Congress in overseeing "all intelligence activities" of the CIA, the FBI, Defense Intelligence Agency, and National Security Agency — not just the so-called "covert" projects.

But there is a second measure making its way through both House and Senate, and this one seems to be taking the "intelligence game" in the opposite direction from that intended when the revision process began. In an attempt to protect CIA and FBI covert activities and the individual agents involved in them, separate but similar House and Senate bills would provide criminal penalties against anyone who — in the words of the Senate version — "disposes, with the intent to impair or impede the foreign intelligence activities of the United States, to any individual not authorized to receive classified information, any information that identifies a covert agent . . ."

Three important congressional committees have approved this unprecedented legislation. It is said to be aimed specifically at the editor of a publication, the Covert Action Information Bulletin, which has over the past few years published the names of persons it alleged to be covert CIA agents. Five years ago one of those named was murdered in Athens. A few weeks ago in Jamaica, the house of another so named was fired upon. Many Americans, not just the government officials responsible for intelligence activities, are very disturbed about these incidents and concerned about irresponsible or inimical publication of the names of supposed agents. But even the government officials most closely in-

involved were at first opposed to the sanctions proposed.

After the Carter administration indicated it did not favor the legislation and a US Justice Department official told the Senate Intelligence Committee such a provision would be unconstitutional, it was dropped from the original bill. Now it has resurfaced with the backing of CIA Director Stansfield Turner and, apparently, the President. On Sept. 5, Frank Carlucci, deputy director of the CIA, told the Senate Judiciary Committee that the bill would not violate First Amendment rights and that "nothing could be more subversive of our constitutional system of government than to permit a disgruntled minority of citizens freely to thwart the will of the majority."

Who disapproves? Sen. Patrick Moynihan of New York, for one; he originally favored such legislation but later decided it was "extraordinarily careless of the rights of journalists." And seven top journalistic groups, including the American Newspaper Publishers Association and the American Society of Newspaper Editors, have sent letters to House members opposing the proposal.

The difficulty of reconciling intelligence activities with the ideals of a free society is clear. Enacting a law that might subvert the basic rights of free speech and press in order to stop the questionable activities of a few individuals certainly is unjustified. The government should first stop its own leaks, and the new legislation does provide stiff penalties for present or former government employees who breach security.

THE WASHINGTON STAR Sunday, September 7, 1980

Carter Weighs Change In Secrecy Categories

New 'Royal' Class Being Considered

By Jeremiah O'Leary
Washington Star Staff Writer

The Carter administration for more than a year has been trying to devise a more manageable system of security classifications to protect information that is sensitive because of its source, a White House official acknowledged yesterday.

The system, which would include a higher classification than "Top Secret" if it is approved and put into effect, is being devised by what the source called "the usual intelligence agencies."

Presumably the architects of the new security system include the CIA and the National Security Agency.

The new system includes a super-secret category called "Royal" but the official emphasized that the president so far has approved only parts of the plan. The system of which "Royal" is a part has not been implemented, he said, adding that "Royal" is only part of a much broader system for safeguarding information from especially sensitive sources.

The administration ordered the intelligence agencies to work on the new system because there is considerable awkwardness and some misuse of the only existing categories for labeling security information. These categories are "Top Secret," "Secret" and "Confidential." The Atomic Energy Commission, NSA and other agencies have separate systems of classifications.

The official noted that there is a great deal of difference between a security classification and a security clearance, since the latter designates only individual access to intelligence material.

"If and when the new system is signed on by the president, its purpose will be the handling of classified materials," the source said. "Obviously, a vast amount of intelligence comes to us by technical means and must be protected."

The official heatedly denied a report by the Oklahoma City Daily Oklahoman that the "Royal" system was devised to protect the president from possible embarrassment and to safeguard politically sensitive information. He flatly denied that the designation was used on one cable in which Billy Carter allegedly was called "our agent of influence" by Libyan officials.

"The system has not been put into effect, so it could not have been used on material relating to Billy Carter or other matters regarding the Soviet Union as the newspaper report says," the official declared.

The story said only four senators, four members of the House and staff directors of the Senate and House Intelligence Committees have access to "Royal" information. The senators named in the article were Birch Bayh, D-Ind; Barry Goldwater, R-Ariz; Howard Baker, R-Tenn., and Robert C. Byrd, D-W.Va.

"Its purpose is not to conceal politically embarrassing information," said the White House aide. "If information classified that way went to Goldwater, obviously it isn't designed to protect us from political inquiry."

The official said the story is erroneous and was planted by the same people who gave Jack Anderson the controversial material that President Carter plans to invade Iran in October for political reasons and to help him gain national support for re-election.

Asked who these sources were, the official blamed unnamed minority members of Senate and House committees.

THE WASHINGTON POST Sunday, September 7, 1980 A 7

New System Tightly Curbs Access to Intelligence

By Jack Taylor
Special to The Washington Post

Somehow U.S. intelligence information is being handled under a new system that effectively cuts off most congressional, military and other government officials, sources familiar with the system said yesterday.

The new system, ordered by President Carter Jan. 7, installs a classification called "royal" above the previous highest classification of "top secret," the sources said.

The "royal" system is considered highly unusual by the intelligence community, the sources said, because it is vague and general in scope and is not associated with protecting sources or intelligence collection methods. It is one category, said of whom last day, which includes sensitive intelligence, but it is not "royal" classification is intended to make to protect political or security information.

The real effect, they said, is to protect it from Carter from potential disclosure.

An administration spokesman said, however, "These allegations are totally unfounded."

A White House press office spokesman said that "royal" is part of a classification system that is not yet in use.

"It's part of a new and still unimplemented system for handling extremely sensitive classified information," the spokesman said. "Within that system, 'royal' is only one of many designations."

The administration spokesman apparently was including "royal" in the category of "code name" intelligence classifications.

Normal intelligence information is classified confidential, secret or top secret. But there are special code name classifications for communications intelligence, satellite photography, intelligence collection methods and cryptographic technology. All code names, however, deal with sources of information. According to one of the sources knowledgeable about "royal," the system is not intended to protect intelligence sources or methods of collection.

The source said that Carter's national security affairs adviser, Zbigniew Brzezinski, who chose the term

"royal," told Central Intelligence Agency Director Stanfield Turner in a letter early in February that the new system is designed to protect information, regardless of the source, "to protect politically sensitive, potentially embarrassing information."

The sources said Carter's directive implementing the system states that it is intended to provide key policymakers with advanced intelligence so they can formulate positions that will appear, publicly at least, more timely and responsive.

The sources said the type of intelligence classified "royal" is sometimes more significant from a political than from an intelligence viewpoint.

For example, some intelligence information involving Libya was given the "royal" treatment—including a report in which Libyans were quoted as describing the president's brother, about "royal," the system is not intended to protect intelligence sources or methods of collection.

The source said that Carter's national security affairs adviser, Zbigniew Brzezinski, who chose the term

tion—or, as one senator put it, "privately, useless," the source said.

The "royal" system is so secret that many members of Congress, military officers and other government officials who have "top secret" clearances don't know it exists.

"Only eight members of Congress—four senators and four representatives—have been given access to 'royal' information." In the Senate they are Birch Bayh (D-Ind.), Barry Goldwater (R-Ariz.), Howard H. Baker Jr. (R-Tenn.) and Robert C. Byrd (D-W.Va.).

The only congressional staffers who have been given access are the staff directors of the Senate and House Intelligence committees.

But because "royal" information is closely held, even the eight members of Congress who have access to it are unlikely to be aware of the contents of its daily digest unless they take the time to go to Intelligence Committee offices each day to read it, the sources said.

Politically sensitive information never gets to some Republican members of Congress, the sources said, be-

cause the "royal" system and the intelligence committees staffs are effectively controlled by the administration or by Democrats.

"When you establish something this restrictive, you in effect deny access to the majority party, which could have an effect on policy," one source said.